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SECRET

Action

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FROM: Hanoi

Control: Rec'd:

14873 June 30, 1954

5:18 a.m.

Info

SS G.

Secretary of State

NO:

342

772, June 29, 6 p. m.

Noted by DCI

C EUR

SP

UOC SCS OLI

Reference Consulate telegram 763

CIA/ OSD ARMY AIR

NAVY

Thanh, Chief of Hadong province passed on to us following information which he had obtained during course of meeting of province chiefs called June 26 by Governor to discuss situation in southern delta:

SENT DEPARTMENT 772, REPEATED INFORMATION SAIGON 711, PARIS

Regional government is determined to save as many as possible of civilians loyal to national government who live in areas to (#) of Vietnamese Army, Boa Chinh Doan, and militia, but also as many loyal Catholics as can be moved. Governor, indicated be hoped to evacuate by truck approximately 7,000 Catholic families-about 30,000 persons-to Hanoi area. (Of these, 3,000 families will be quartered in Gialam province. 3,000 in Hadong, and 1,000 in the prefecture of Hoan Long. Evacuation was being made easier by movement of Viet Minh out of Hung Yen province which had been observed during last few days. For this reason refugees would probably find it easier to reach Hanoi area. Housing problem will be met by billetting most with charitable Christian elements of population or, if possible, with relatives.) We have heard French military is opposed to quartering further refugees in Hanoi area. If so, they may be unaware of Governor's plans in this respect.

Available transportation limiting number potential refugees. Further, poorer peasants could not (repeat not) afford to leave at least until present rice crop is harvested, and many would refuse to leave despite danger in effort to save crops.

It will be necessary to remove from Phat Diem and Buichu areas many Catholic Priests who had earned enmity of Viet Minh and who, if left in areas, would be massacred. We understand that Bishop Chi is now living Hanoi because

Buichu is no

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-2- 772, June 29, 6 p. m. From Hanoi

Buichu is no (repeat no) longer considered safe.

There is apparently some basis in fact for rumors of near-panic conditions in Nam Dinh resulting from French withdrawals. Contonniereds Tonkin, major industry in area, has been closed, and more than 2,000 workers thrown out of work. Prices of real estate are dropping precipitately and rice market is glutted. Many residents are leaving for safety of Hanoi and, should substantial number of them succeed in reaching here, Vietnamese officials fear they might infect local population with their hysteria.

Governor is now faced with difficult choice of what to do about Vietnamese troops under his control in areas being given up by French. He is considering withdrawing them at same time French finally pull out, but hesitates to do so as that would remove last protection for loyal elements of population. Governor Tri demanded advice and assistance from Saigon but so far had received no (repeat no) answer either from retiring President Buu Loc or incoming Ngo Dinh Diem. He hoped to be able to get something from Diem during visit to Hanoi scheduled this week.

CAMERON

SW:LA/6

Omission. Correction to follow.